

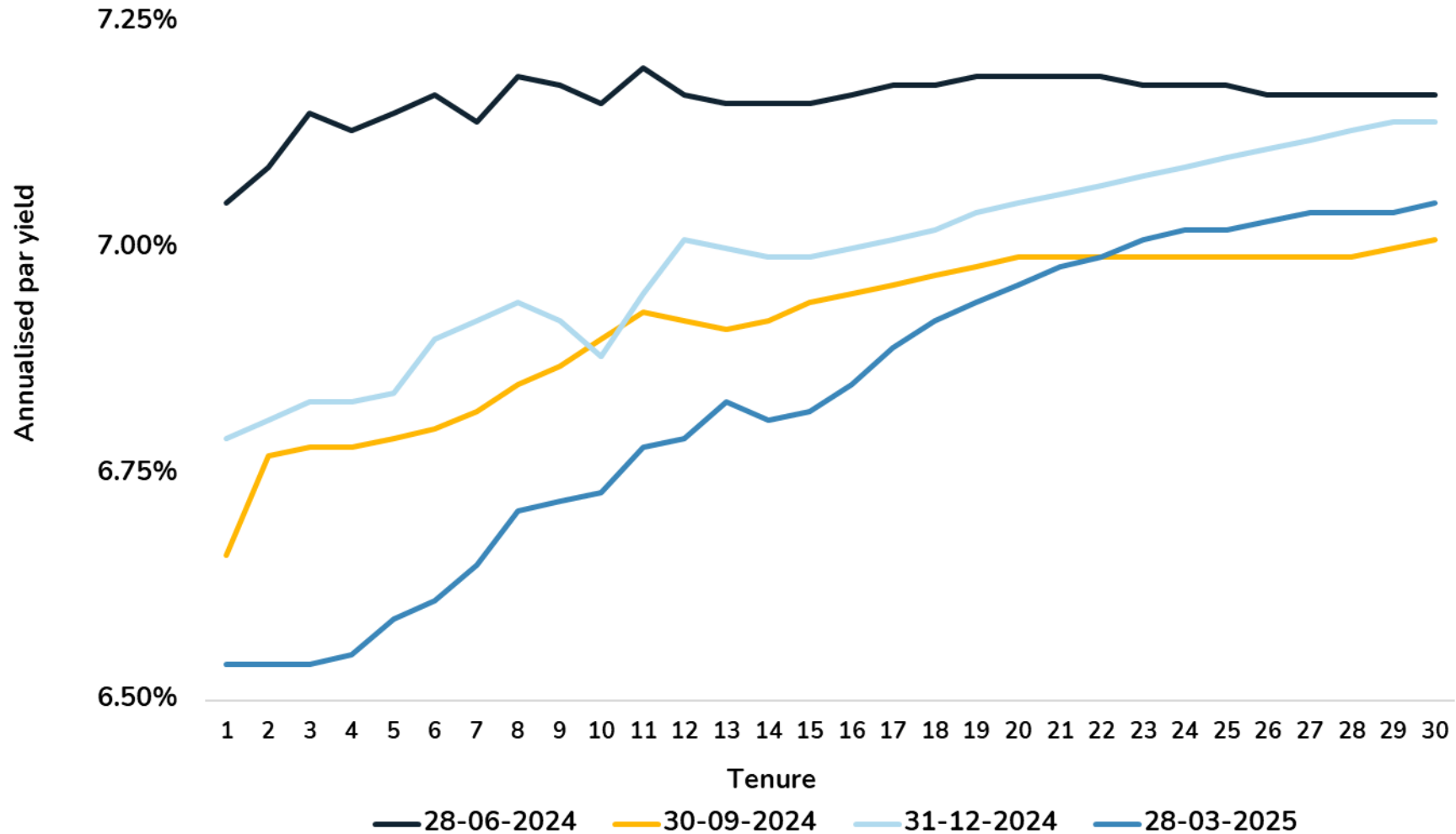


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KAP's Interest Rate Updates For Employee Benefits as on 28th March 2025

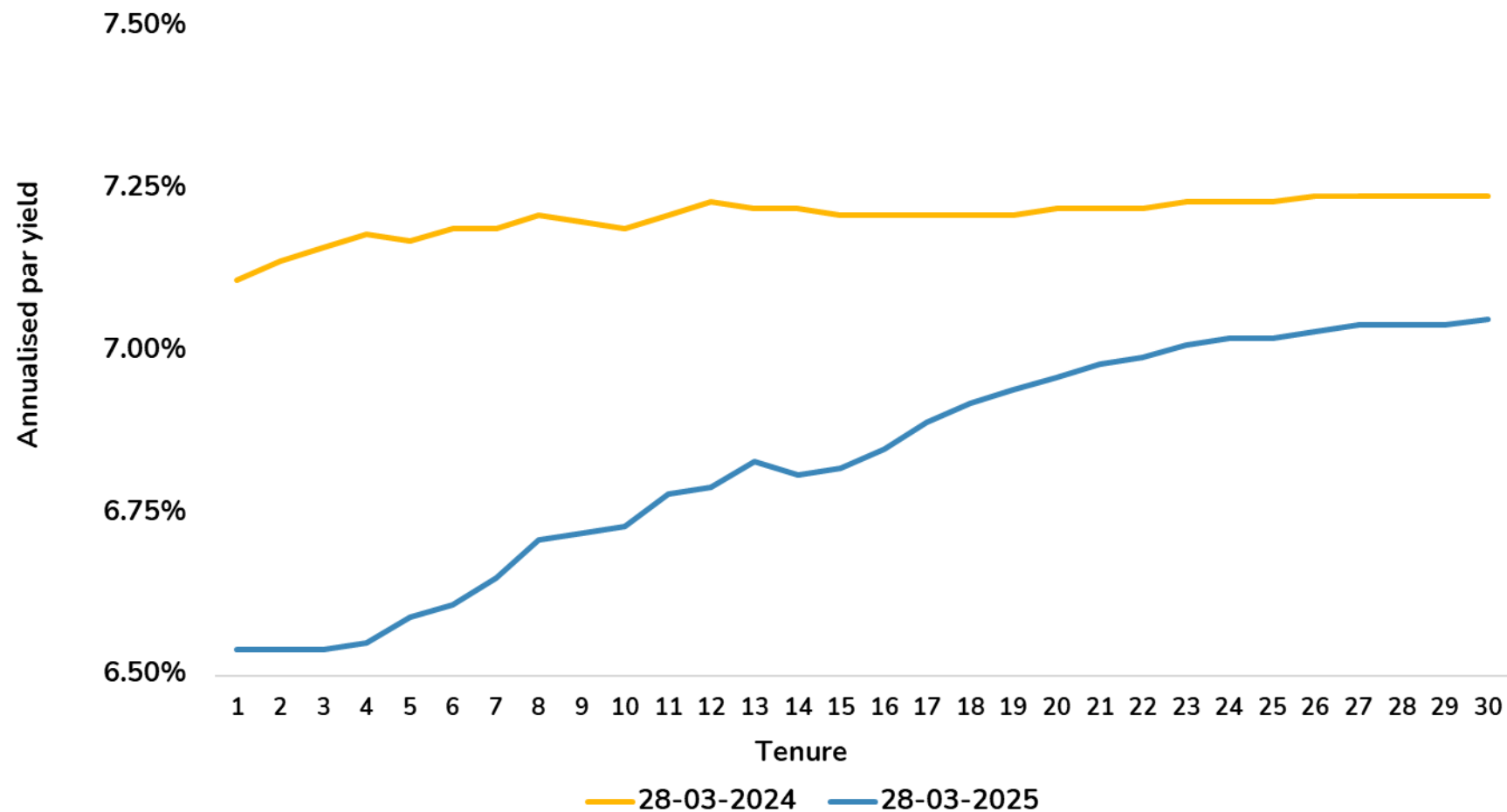
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G. Sec Rates as at 28-03-2025



**The rates shall be considered as the final rates for the quarter valuations as on 31-03-2025.

Annualised Par Yields on G. Secs



Annualized Par Yields on G. Secs as on 28-03-2025



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Term	Annualized Yield (% p.a.)
1	6.54%
2	6.54%
3	6.54%
4	6.55%
5	6.59%
6	6.61%
7	6.65%
8	6.71%
9	6.72%
10	6.73%

Term	Annualized Yield (% p.a.)
11	6.78%
12	6.79%
13	6.83%
14	6.81%
15	6.82%
16	6.85%
17	6.89%
18	6.92%
19	6.94%
20	6.96%

Term	Annualized Yield (% p.a.)
21	6.98%
22	6.99%
23	7.01%
24	7.02%
25	7.02%
26	7.03%
27	7.04%
28	7.04%
29	7.04%
30	7.05%



Comments & Insights

Interest Rates Around the World

The impact of the world market facing a recessionary uncertainty is sustained which is reflected in the decline in the Interest Rates. However, decreased G-sec yields can have a generally positive impact on equity markets, reduce borrowing costs, stimulate economic growth, and attract foreign investment, while also affecting bond portfolios and banking sector profitability.

Comparison of 28-03-2025 Yield

As compared with 28-03-2024, rates have decreased for each tenure by an average of 37 bps.



Impact on Obligation

A decrease in yield will lead to an increase in the present value of obligations, thereby resulting in an actuarial loss due to changes in financial assumptions, assuming all other assumptions remain unchanged.

Impact on Asset

A decrease in G-sec yields can lead to an increase in the fair value of plan assets when a company performs a mark-to-market (MTM) valuation. This occurs because the inverse relationship between bond yields and prices results in higher valuations for bonds held in the plan.

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Thank you!



K.A. PANDIT

✉ www.ka-pandit.com 🌐 kap@ka-pandit.com

CHURCHGATE OFFICE | MUMBAI

2nd Floor, Churchgate House, 32 34
Veer Nariman Road, Fort, Mumbai
400001. Tel: +91 22 42922250

ANDHERI OFFICE | MUMBAI

C/201 Remi Bizcourt, Off. Veera Desai
Road, Andheri (W), Mumbai 400058.
Tel: +91 22 42922231

AHMEDABAD OFFICE

509, Golden Triangle, Near Sardar Patel
Stadium, Navrangpura, Ahmedabad 380014.
Tel: +91 79 26460734